

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF WESTERN LEWIS-)	
RECTORVILLE FOR AN ADJUSTMENT OF RATES)	CASE NO.
PURSUANT TO THE ALTERNATIVE RATE)	92-331
FILING PROCEDURE FOR SMALL UTILITIES)	

O R D E R

On October 1, 1992, Western Lewis-Rectorville Water and Gas District ("Gas Division") applied for an increase in its rates for gas service. Its proposed rates would generate additional annual revenues of approximately \$53,961, an increase of 29 percent above normalized test-year revenues.

In October 1992, Commission Staff conducted a review of the Gas Division's test-period financial records. Based upon this review, Commission Staff issued its report on April 6, 1993, recommending an increase of \$36,332 in annual revenues.

By Order entered April 6, 1993, the Commission directed the Gas Division to file comments on the Staff Report or request a hearing within 15 days of the date of the Order or the case would stand submitted for a decision. On April 22, 1993, the Gas Division advised the Commission of its acceptance of the Commission Staff's findings and recommendations.

The Commission, after considering the evidence of record and being otherwise sufficiently advised, finds that:

1. The recommendations and findings contained in the Staff Report are supported by the evidence of record, are reasonable, and

are hereby adopted as the findings of the Commission in this proceeding and are incorporated by reference as if fully set out herein.

2. The rates proposed by the Gas Division in its application would produce revenue increases in excess of those found reasonable herein and should be denied.

3. The rates in Appendix A, attached hereto and incorporated herein, are the fair, just, and reasonable rates for the Gas Division. These rates, which were recommended by Commission Staff and are adjusted to reflect all purchased gas adjustments through Case No. 9642-NNN,¹ will allow the Gas Division sufficient revenues to meet its operating expenses and provide for future equity growth, including provisions for servicing its debt.

IT IS THEREFORE ORDERED that:

1. The rates proposed by the Gas Division in its application are hereby denied.

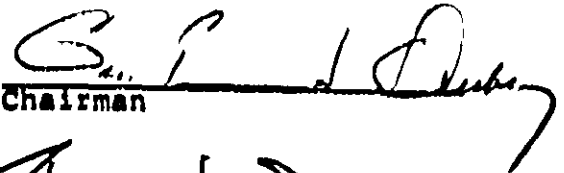
2. The rates contained in Appendix A are approved for service rendered by the Gas Division on and after the date of this Order.

3. Within 30 days of the date of this Order, the Gas Division shall file with the Commission its revised tariff setting out the rates approved herein.

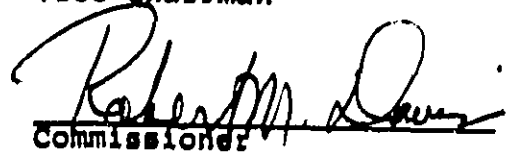
¹ Case No. 9642-NNN, The Notice of Purchased Gas Adjustment Filing of Western Lewis-Rectorville Water and Gas District, Order dated April 29, 1993.

Done at Frankfort, Kentucky, this 12th day of May, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 92-331 DATED May 12, 1993

The following rates and charges are prescribed for the customers in the area served by Western Lewis-Rectorville Water and Gas District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Retail Rates:

Customer Charge	\$1.00 Per Month		
<u>Monthly Usage</u>			
	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First 1,000 cu. ft. or less (Minimum Bill)	\$3.9883	\$3.0792	\$7.0675
Next 4,000 cu. ft. per 1,000 cu. ft.	1.4565	3.0792	4.5357
Next 5,000 cu. ft. per 1,000 cu. ft.	1.3970	3.0792	4.4762
Over 10,000 cu. ft. per 1,000 cu. ft.	1.2228	3.0792	4.3020

Commodity

Columbia Gas Transmission Corporation

\$2.9815 Per Dth